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American Assembly of Collegiate Schools of Business

B-school missions could determine accreditation standards

Accreditation standards of the future may be oriented to the mission of the individual business school, according to John P. Evans, chair of AACSB's Accreditation Project task force, who reported on the status of his group's work at the AACSB Annual Meeting in April in San Francisco.

The mission orientation of standards is one of three major positions the task force has taken at the half-way point in its two-year study and re-evaluation of accreditation. The two other proposals offered by Evans were the establishment of candidate status for schools working toward accreditation and a new organization of standards within four categories.

The mission orientation of standards is one of three major positions the task force has taken at the half-way point in its two-year study and re-evaluation of accreditation.

Evans, professor at the University of North Carolina at Chapel Hill and a former president of AACSB, asked meeting attendees to offer their opinions on the positions at two subsequent open hearings.

"The positions we take regarding these important facets of accreditation are going to shape the standards that the task force will be drafting over the summer," Evans told *Newsline* before the April meeting. "We need to know if AACSB members agree or disagree with the directions we're proposing."

To apply standards according to a school's mission, the task force is proposing the use of four b-school categories: those with primary emphasis on undergraduate education; those with emphasis on masters programs for professional markets; those with research-based masters programs; and, those with primary emphasis on graduate education. (See box on page 2.)

According to the second proposal, a school could enter candidate status for accreditation by meeting a set of minimum requirements and by stating its intention to work toward accreditation. The school would then maintain this candidacy status for a fixed period of time and receive guidance from AACSB as it worked to achieve accreditation.

New accreditation standards would be organized around four main processes: strategic planning, organizing inputs, delivery and crea-

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All of the task force's positions are open to revision and the group continues to seek opinions and suggestions from a wide range of management education constituents.

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tion processes, and support processes. (See box)

Evans emphasized that all of the task force's positions are open to revision and that the group continues to seek opinions and suggestions from a wide range of management education constituents.

The 16-member task force was appointed by AACSB's Board of Directors in spring 1989 from among both academic and corporate leaders.

The group was charged with reviewing accreditation's purposes in light of changing needs in business schools and in business itself, and then developing standards and procedures to enhance the future quality of business education.

Proposed AACSB Accreditation Categories

Primary emphasis on Undergraduate education

- Very strong emphasis on teaching and curriculum development
- Scholarly activities appropriate to mission
- Scholarship serves to maintain currency

Emphasis on Masters program(s) for broad professional markets

- Strong emphasis on teaching and curriculum development
- Emphasis on scholarship appropriate to support teaching mission

Emphasis on Masters program(s), some research-based specialization

- May offer doctoral degree
- Strong commitment to scholarship
- Appropriate emphasis on teaching and curriculum development

Primary emphasis on Graduate education

- Normally offer doctoral degree
- Very strong emphasis on scholarship
- Appropriate emphasis on teaching and curriculum development

B-school faculty vacancy rate stalls at 14 percent

Proposals to revise the curriculum to reflect new business issues are easy to come by at many schools these days, but according to recently released AACSB statistics, finding the faculty to teach the courses is the same old story. A survey of doctoral supply and demand found that 14 percent of authorized, tenure-track positions in business schools were vacant in the 1989-90 academic year. The numbers reflect few major differences from a year ago and cap a decade of faculty shortages that have driven compensation packages to unprecedented levels.

As in past surveys, the management information systems and accounting fields show the largest gaps between supply and demand — 21 and 20 percent, respectively. On average, 2.8 openings awaited each 1988-89 doctoral graduate, though the 1,087 degrees awarded represent the peak year of production during the decade. Demographic characteristics of new doctoral degree holders also show few trends, with non-U.S. and non-Canadian citizens making up 32.8 percent of the total. Among U.S. citizens alone, blacks received 2.2 percent of doctoral degrees, Asian-Americans 3.2 percent and Hispanic-Americans 0.7 percent. According to the report, no Native Americans received a business doctorate during the year. Counting all doctoral graduates, women received 26.9 percent of the degrees, down slightly from 1988-89.

Reductions in student enrollment pressure at lower degree levels may be the only means of reducing the faculty shortage, according to officials at several schools that are major producers of doctoral graduates. "There's such a gross shortage of highly qualified business faculty that it would take a tremendous decline (in enrollment) to narrow the shortage," said Timothy McGuire, associate dean at the Carnegie Mellon Graduate School of Industrial Administration. He added that anticipated faculty shortages during the 1990s in related fields such as psychology, economics and sociology also may make it more difficult to recruit selected faculty from other disciplines to teach in business schools.

Even a recent softening in demand for management education may not bring faculty demand into line with available supply. "As I meet with fellow deans, I'm amazed that so many are thinking of downsizing (doctoral) programs. Though they are attempting to improve the quality and placement of graduates, it will aggravate the (supply) situation," noted John Hogan, business school dean at the University of Illinois at Urbana-Champaign. "At best," remarked A. Benton Cocanougher, Texas A&M business dean, "we'll probably see stabilization (of doctoral programs), less starting up new programs, more holding the line." Factors of program quality and cost have influenced a decision to control doctoral program size at his school, Cocanougher added.

Results of the survey were based on responses from 465 AACSB member schools, including 98 with doctoral programs.

Doctoral production 1988-89 and demand for doctorates 1989-90, 1990-91[1]

	Doctorates Granted 1988-89	Unfilled for 1989-90[2]	1989-90 Average Openings per Business School Doctoral Graduate	Planned Growth 1990-91[3]	1990-91 Average Growth In Openings per Business School Doctoral Graduate
Accounting	202	737	3.6	200	0.9
Corporate Strategy/Business Policy/ Business and Society	57	167	2.9	75	1.3
Economics*	88	217	2.5	84	1.0
Finance	155	407	2.6	164	1.0
Industrial Relations*	20	31	1.6	7	0.4
Insurance	11	15	1.4	11	1.0
International Business	41	37	0.9	57	1.4
Management/Organizational Behavior	130	343	2.6	106	0.8
Marketing	149	430	2.9	169	1.1
MIS/CIS	106	340	3.2	123	1.2
Operations Management/Production	46	118	2.6	70	1.5
Operations Research/Management Science/Decision Science*	52	93	1.8	33	0.6
Real Estate	6	23	3.8	9	1.5
Other/Miscellaneous	24	131	5.5	45	1.9
TOTAL	1,087	3,089	2.8	1,153	1.1

*From business schools only
[1] Based on a survey of 465 AACSB member schools, including 98 with doctoral programs
[2] Positions for which schools sought doctorally qualified (DQ) faculty
[3] Positions for which DQ faculty have been authorized

Faculty positions filled, vacant and planned growth, 1989-90[1]

	Positions Filled for 1989-90[2]	Positions Unfilled for 1989-90[3]	Total Positions 1989-90	Percentage Vacant 1989-90[4]	Planned Growth 1990-91	Planned Percentage Growth 1990-91
Accounting	2,939	737	3,676	20	200	5
Corporate Strategy/Business Policy/ Business and Society	835	167	1,002	17	75	7
Economics	2,498	217	2,715	8	84	3
Finance	2,225	407	2,632	15	164	6
Industrial Relations	306	31	337	9	7	2
Insurance	125	15	140	11	11	8
International Business	280	37	317	12	57	18
Management/Organizational Behavior	2,190	343	2,533	14	106	4
Marketing	2,285	430	2,715	16	169	6
MIS/CIS	1,284	340	1,624	21	123	7
Operations Management/Production	777	118	895	13	70	8
Operations Research/Management Science/Decision Science	961	93	1,054	9	33	3
Real Estate	164	23	187	12	9	5
Other/Miscellaneous	1,408	131	1,539	9	45	3
TOTAL	18,277	3,089	21,366		1,153	
Average (TOTAL/465)	39.4	6.7	46.0	14	2.5	5

[1] Based on survey responses from 465 AACSB member schools
[2] Positions filled with doctorally qualified (DQ) faculty
[3] Positions for which schools sought DQ faculty
[4] Positions for which DQ faculty have been authorized

Source: AACSB survey of business doctoral production
AACSB survey of faculty demand

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Members elect North Carolina A&T business school dean to AACSB vice presidency; will be president in '92-93

Quiester Craig, dean of the School of Business and Economics at North Carolina A&T State University, has been elected AACSB vice president-president elect. As vice president, he officially begins his term on July 1, 1991, serving throughout the 1991-92 academic year. Craig then will assume the presidency for the 1992-93 academic year.

"It is an honor to have been elected and to have the opportunity to serve AACSB's multi-faceted constituency," said Craig. "I am looking forward to the challenge of working on the many critical issues facing management education, such as the management of technology, the further recognition and promotion of cultural diversity, and the necessary impact of global considerations on the curriculum and other program initiatives. It also will be important to explore new ways for enhancing the awareness and involvement of a larger number of our members in order to create an even stronger and more diverse organization. Working with Dick Lewis, of course, will be a real plus."

"I am delighted with Quiester's selection," said Richard J. Lewis, AACSB vice president, who will be president in 1991-92. Lewis is dean of the College of Business at Michigan State University. "I really look forward to working with him on AACSB's agenda this next year. We have a full plate of issues to deal with — the role of business schools in a rapidly changing global environment, the implementation of new accreditation standards and procedures — making the job of the Assembly more vital than ever. Quiester brings to AACSB the kind of vision that is so necessary at this time."

Craig has a lengthy record of service with AACSB. Currently, he chairs the Projects and Services Management Committee and has been on the Board of Directors since 1989. Craig was active in the work of the Visitation Committee in 1980-1983 and the Standards Committee in 1984-1988, serving as vice chair in 1988. From 1977-1980 he served on the Committee on Equal Opportunity for Minorities, which he chaired in 1979 and 1980.

Quiester Craig

Other public and professional activities include directorships in the First American Savings and Loan, Greensboro, N.C., the Institute for American Business, Junior Achievement and the Salvation Army. In 1985, Craig received the Distinguished Service Award from the National Association of Black Accountants and the Administrator-of-the-Year Award from North Carolina A&T State University.

In other election results, Murray B. Hirsch, vice chairman, auditing, Coopers & Lybrand, was elected to a two-year Board term as AACSB secretary-treasurer. Hirsch has served on the Accounting Accreditation Committee, the Accreditation Man-

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Baruch College, Harvard, NYU and Penn report largest b-school enrollments for fall 1990

Results of the AACSB 1990-91 School Fact Form survey, as reported through the voluntary participation of 389 member schools and a telephone spot check, as needed, identify the member institutions reporting the largest business school enrollments for fall 1990. Figures include students enrolled full time, as defined by the school, and total full-time and part-time students.

Largest Business Schools by Enrollment*

Fall 1990

Bachelor's Degree Program

Full Time		Total	
1. Baruch College-The City University of New York	7,260	1. Baruch College-The City University of New York	11,182
2. University of Texas at Austin	7,248	2. Arizona State University	8,463
3. Michigan State University	6,229	3. University of Texas at Austin	8,265
4. Arizona State University	6,013	4. San Diego State University	7,549
5. Texas A&M University	5,939	5. California State University, Fullerton	7,056
6. Pennsylvania State University	4,811	6. Michigan State University	6,623
7. Florida State University	4,737	7. Western Michigan University	6,490
8. Northern Illinois University	4,713	8. Georgia State University	6,132
9. Western Michigan University	4,692	9. Texas A&M University	5,939
10. University of Arizona	4,625	10. University of Texas at Arlington	5,766

Master's Degree Program

Full Time		Total	
1. Harvard University	1,615	1. New York University	3,619
2. University of Pennsylvania	1,511	2. DePaul University	2,995
3. Columbia University	1,420	3. Fairleigh Dickinson University	2,695
4. University of Texas at Austin	1,387	4. University of St. Thomas	2,688
5. Pepperdine University	1,358	5. Pace University	2,669
6. American Graduate School of International Management	1,257	6. Baruch College-The City University of New York	2,627
7. New York University	1,255	7. University of Chicago	2,565
8. University of Chicago	1,174	8. Georgia State University	2,462
9. San Francisco State University	1,050	9. Wayne State University	2,285
10. DePaul University	1,020	10. City University (Seattle)	2,179

Doctoral Degree Program

Full Time		Total	
1. University of Pennsylvania	272	1. University of Pennsylvania	272
2. University of Illinois at Urbana-Champaign	229	2. University of Illinois at Urbana-Champaign	241
3. The Ohio State University	158	3. University of Texas at Austin	195
4. Arizona State University	150	4. Michigan State University	164
5. University of Texas at Austin	145	5. University of Arizona	162
6. Georgia State University	144	6. The Ohio State University	158
University of Tennessee at Knoxville	144	7. University of Tennessee at Knoxville	156
8. Michigan State University	143	8. Arizona State University	150
9. University of Arizona	132	9. Georgia State University	149
10. Baruch College-The City University of New York	131	University of Iowa	149

* As reported through a voluntary survey of 389 AACSB member institutions

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Implementation under way

New accreditation standards move from paper to practice

Now that the flurry of activity surrounding the approval of the new AACSB accreditation standards has subsided, the tough task of implementing the changes is the focus for a team of educators challenged to turn the guidelines into practice.

The new standards, a result of an intensive two-year study of business education by the Assembly, were overwhelmingly approved by the membership at the Annual Meeting in April. The new criteria are "mission-based" and offer schools the opportunity to be judged by how well they fulfill their individual missions.

After the vote, a 21-member Implementation Committee made up of deans, faculty and corporate representatives was formed and now is holding regular meetings to ensure that the critical changes in emphasis are preserved as the new standards are enacted during the next three years.

At its first meeting in July, the group carefully reviewed the conceptual underpinnings of the new standards, defined the specific tasks ahead, organized into subgroups and outlined a time schedule for the process. (See chart.)

"It's going to be a tough job," acknowledged Scott S. Cowen, head of the new committee and dean of the Weatherhead School of Management at Case Western Reserve University. "When you look at the new standards, you can see there is more emphasis on the judgment of the individual accreditation teams. There is more subjectivity and a move toward evaluating the overall quality of programs instead of focusing on specific sets of data."

Milt Blood, AACSB director of accreditation, concurs that the greater interpretation required on the part of accrediting teams will make implementation a complex matter. He emphasized that every effort would be made to make sure that the transition period is carefully managed and understood by the membership.

"If schools feel that the new process is too difficult, expensive or time consuming, or don't understand the process, it could prove a major setback to accreditation reforms," Blood said.

Regardless of the predictable difficulties that will arise while implementing the radically new accreditation procedures, which are founded on recognizing diverse approaches to business education, many deans are looking forward to the opportunities ahead.

Greater interpretation required on the part of accrediting teams will make implementation a complex matter.

Business programs that are small and often heavily influenced by liberal arts traditions at their schools sometimes felt they had difficulties meeting the previous standards, which included requirements regarding research, faculty credentials and other resource-intensive factors.

"The new mission-based standards have opened the door to accreditation as it has never been opened before," said Robert C. Fisher, dean of the School of Business at Henderson State University. "We have a small program that focuses on the liberal arts and quality teaching, and we've never wanted to change that just to be accredited. We view the standards as a mechanism to really measure the quality of what we do, not as a clubhouse door." Fisher represents unaccredited schools on the AACSB Board of Directors.

At the same time, deans whose schools have maintained AACSB

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Ph.D. faculty vacancies drop (at last)

Decline from 14% to 11% largest in decade

By almost anyone's measure, the 11 percent vacancy rate for tenure-track faculty positions, shown in recently released AACSB survey statistics, would seem high. But not by the measure of U.S. business schools, which over the past decade have grown accustomed to vacancies in the 14 to 16 percent range.

When the vacancy rate plummets three percentage points in a year's time, after having statically clung to the mid-teens for so long, the obvious question is "why now?"

Speculation by some doctoral program directors focused on a pinched economy, a downturn in student demographics and a subsequent downsizing by b-schools.

Among major points of interest in the survey are numbers showing that MIS, accounting and finance—three disciplines that traditionally have had the largest gaps between demand and supply—experienced the greatest declines in the vacancy rate. The percentage of unfilled positions in the MIS field dropped by seven percentage points, from 21 to 14. Accounting vacancies declined from 20 percent to 15 percent, and finance vacancies dropped from 15 percent to 10 percent.

The declines in accounting and finance faculty jobs did not surprise William Ouchi, doctoral program director at UCLA's Anderson Graduate School of Management.

"Those industries in business are in a recession," he said. "The Big Eight is now the Big Six. There are more people available for teaching. The market's not as competitive."

Ben Branch, currently on leave from his job as the director of the doctoral program for the University of Massachusetts School of Management, agrees.

"Until recently, some faculty were being tempted to Wall Street, to consulting and to other business positions," he said. "Now, given the nature of the economy and the stock market, there's a good deal less of that."

Dan Dalton, director of graduate programs at Indiana University's Graduate School of Business, believes the reduced vacancies indicate that the "pent up demand" for certain skills is finally being satisfied.

"There was a tremendous demand to fill positions in MIS," Dalton said, "but we've lived in that environment for 10 years now and there's some maturity, people are coming in to fill those slots."

The survey's questions about planned growth at business schools also reveal a sharp downturn in the total number of openings projected for 1991-92. The 860 openings planned, compared to 1990-91's figure of 1,153, show a drop of 25 percent.

Bert Steece, director of doctoral programs at the School of Business Administration at the University of Southern California, said his intuitive sense is that the drop in budgets for state universities is driving the reduction in faculty demand.

"State legislatures across the country are having tremendous fiscal difficulties," Steece said. "I think the positions have been drawn back. It's not so much that the positions are filled, they're just not there."

Steece noted that this year his school, on a private campus, experienced much less competition from public schools for top-notch Ph.D.s because of the state schools' limited budgets.

U.S demographics also have to account for reduced planned growth numbers, the educators said. Ouchi said the "catching up" that b-schools have been trying to do for 25 years of constant expansion is now about over. The market for business schools is saturated and no longer expanding.

The decline in faculty vacancies has a direct impact on the range of choices for new Ph.D.s. The three to four job openings per person, reported in previous years' surveys, are now narrowed to two. The decline reduces somewhat the keen competition among schools for new doctorates and, for all but the brightest stars, most likely reduces the value of their compensation packages as well.

The reduced demand for tenure-track teachers will have subtle effects on the profession, Dalton believes. This year's new Ph.D.s may settle for a bit less in their first assignments, but then re-enter the job market in a couple of years with better credentials and create even more competition for the newest crop of graduates.

Ph.D.s from disciplines such as sociology, political science and psychology, wooed by b-schools in the shortage period and attracted by the higher compensation of the professional schools also will affect the market, Dalton said.

Another, but lesser, factor in the reported drop in faculty vacancies may be the multi-year effort to increase the number of b-school-bound Ph.D.s. Dalton said he would be surprised if the AACSB/GMAC National Doctoral Fellowship Program (NDFP) did not account for at least part of the rise in new doctorates.

Survey numbers reveal that doctoral degrees awarded in business disciplines rose to the highest level in a decade, from the previous high of 1,087 in 1988-89 to 1,173 in 1989-90. That increase of 86 doctorates, however, accounts for only a fraction of the reported reduction of vacancies, from 3,089 in 1989-90 to 2,281 in 1990-91, a difference of 808.

The latest survey shows a continuation of the growth in the number of new degree recipients who are not U.S. or Canadian citizens. This group increased from 32.8 percent of the total to 35 percent.

Women receiving business Ph.D.s declined once again, from 26.9 percent of the total in 1989-90, to 23.4 percent in 1990-91. Among U.S. citizens alone, the number of Asian-American degree recipients rose slightly from 3.2 percent to 3.4 percent. All other minority recipients declined. Blacks receiving Ph.D. degrees in business declined from 2.2 percent to 1.6 percent. Hispanic-Americans receiving doctorates declined from 0.7 percent to 0.4 percent. No Native American Ph.D. recipients were reported.

The survey responses were obtained from 413 AACSB member schools, including 101 schools with doctoral programs.

Doctoral production 1989-90 and demand for doctorates 1990-91, 1991-92

	Doctorates Granted 1989-90	Unfilled for 1990-91[2]	1990-91 Average Openings per Business School Doctoral Graduate	Planned Growth 1991-92[3]	1991-92 Average Growth in Opening per Business School Doctoral Graduate
Accounting	175	538	3.1	155	0.9
Corporate Strategy/Business Policy/ Business and Society	48	143	3.0	48	1.0
Economics*	123	154	1.3	66	0.5
Finance	182	269	1.5	101	0.6
Industrial Relations*	12	23	1.9	11	0.9
Insurance	8	16	2.0	9	1.1
International Business	41	43	1.0	40	1.0
Management/Organizational Behavior	129	252	2.0	84	0.7
Marketing	140	332	2.4	131	0.9
MIS/CIS	86	213	2.5	89	1.0
Operations Management/Production	63	97	1.5	54	0.9
Operations Research/Management Science/Decision Science*	91	86	0.9	31	0.3
Real Estate	7	15	2.1	6	0.9
Other/Miscellaneous	69	100	1.4	35	0.5
TOTAL	1,173	2,281	1.9	860	0.7

* From business schools only
[1] Based on a survey of 413 AACSB member schools, including 101 with doctoral programs
[2] Positions for which schools sought doctorally qualified (DQ) faculty
[3] Positions for which DQ faculty have been authorized

Faculty positions filled, vacant and planned growth, 1990-91

	Positions Filled for 1990-91[2]	Positions Unfilled for 1990-91[3]	Total Positions 1990-91	Percentage Vacant 1990-91[4]	Planned Growth 1991-92	Planned Percentage Growth 1991-92
Accounting	3,017	538	3,555	15	155	4
Corporate Strategy/Business Policy/ Business and Society	910	143	1,053	14	48	5
Economics	2,537	154	2,691	6	66	2
Finance	2,319	269	2,588	10	101	4
Industrial Relations	269	23	292	8	11	4
Insurance	118	16	134	12	9	7
International Business	262	43	305	14	40	13
Management/Organizational Behavior	2,233	252	2,485	10	84	3
Marketing	2,331	332	2,544	13	131	5
MIS/CIS	1,282	213	1,495	14	89	6
Operations Management/Production	816	97	913	11	54	6
Operations Research/Management Science/Decision Science	939	86	1,025	8	31	3
Real Estate	180	15	195	8	6	3
Other/Miscellaneous	1,471	100	1,571	6	35	2
TOTAL	18,684	2,281	20,846		860	
Average (TOTAL/413)	45.2	5.5	50.5	11	2.1	4

[1] Based on survey responses from 413 AACSB member schools
[2] Positions filled with doctorally qualified (DQ) faculty
[3] Positions for which schools sought DQ faculty
[4] Positions for which DQ faculty have been authorized

Source: AACSB survey of business doctoral production
AACSB survey of faculty demand